MINUTES
BOARD OF TRUSTEES' MEETING
October 16, 2010, 2:00 p.m.
Hawkins Hall Conference Room
Troy University Campus
Troy, Alabama

The Troy University Board of Trustees met at 2:00 p.m. on October 16, 2010, in the Hawkins Hall Conference Room on the Troy University Campus in Troy, Alabama.

I. Call to Order

Dr. Doug Hawkins, President pro tempore of the Board, called the meeting to order.

II. Roll Call

Upon roll call, the following members, comprising a quorum, answered present: Dr. R. Douglas Hawkins, Gerald O. Dial (via telephone), Mr. Roy H. Drinkard, Mr. John Harrison, Mr. Lamar P. Higgins, Mrs. Karen E. Carter, Mr. Edward F. Crowell, Mr. C. Charles Nailen, Mr. Allen E. Owen, III, and Mr. William Filmore, SGA President (non-voting member). Absent: Governor Bob Riley, Dr. Joe Morton, State Superintendent of Education; Mr. Forrest Latta, and Mr. Milton McGregor.

III. Approval of Minutes

A draft copy of the July 23, 2010, minutes was mailed to Board members prior to the meeting. There being no additions or corrections, Dr. D. Hawkins called for a motion to approve the minutes as presented.

ACTION: Mr. Higgins made a motion to approve the Minutes as presented for the July 23, 2010, meeting. A second to the motion was made by Mr. Harrison. Having received a motion and second, the Minutes (copies of which were mailed to Board members prior to the meeting) were approved as presented.

At this time, Mr. Higgins took the opportunity to recommend, as a cost savings measure, that the minutes and any other action items for the Board meetings be sent electronically rather than mailed. Following comments from several Board members, the decision was made to transmit the meeting packets and any other information electronically when possible.

IV. Reports

A. Chancellor

A summary of reports and agenda items for the Board meeting was provided which included a update on SACS, a report on a School of Science & Technology, branding and advertising report, update on the PACT program, bond issue refinancing resolution and a resolution to name the General Academic Building. The Chancellor welcomed Commissioner Wright Waters, Sun Belt Conference, and added that the Board will hear a report on the

Conference. Chancellor Hawkins also said that following the meeting Board members will be given a tour of University Park which houses CGI, Information and Technology Department, and eCampus.

The Chancellor reported on the following topics:

Enrollment

Enrollment has increased about 14% since 2005 with current enrollment at about 31,000. Global Campus serves approximately one-half of current figures. The University is experiencing growth in enrollment across the system. It was noted that in 1989 Troy Campus enrollment was at 3800 compared to 7200 currently. International student enrollment is at 850 representing 60 countries. China is one of the top countries represented and the Chancellor reported that Confucius Institute Board of Directors will be invited back to campus in the fall for the opening of Confucius Institute to be housed in the newly renovated Bibb Graves Hall. A conference will be planned in conjunction with the opening with officials invited from Beijing, Washington, and the Consulant in Houston.

State Appropriations

A comparison of funding levels from 2008 to present was shared and it was noted that base appropriation in 2008 was 62,000,000 and 2010 45,000,000. Of the 45M it was reported that 5M is stimulus money and from all indications will not be there for the next year. The Chancellor added that the University is in stable condition as we go into 2011. Steps have been taken to compensate for proration. It was noted that proration was 11% in 2009 and 9.5% in 2010. To address proration the University has put into place a hiring freeze for vacant non-faculty positions through March 31, 2011, and initiated a 10% budget reduction for non-personnel expenditures.

Facilities

An overview was given on the Montgomery Campus properties in regard future development sites. Some of the properties mentioned were the Executive Building for demolition, Jefferson Davis Hotel, a two-story building with 30 parking spaces on Church Street, a one-story building located on the corner of Church and Catoma Streets, and a high-tech building and two lots on the corner of Montgomery and Catoma Streets.

The Chancellor updated the Board on construction status for the Troy Campus dining facility, the arena and the Bibb Graves Hall renovation project.

Leadership Changes

The Board was advised of leadership changes which included the appointment of Dr. Earl Ingram as Interim Senior Vice Chancellor (SVC) for Academics, Dr. John Dew to SVC for Student Services, Dr. Dave White as Vice Chancellor of the Phenix City Campus, and Mrs. Donna Schubert as Associate Vice Chancellor for Marketing and Communication.

Car Tag Program

The Chancellor reported that Troy University ranks thirds in the state in the sale of collegiate car tags. It was reported that in 2001 893 collegiate tags were sold compared to 5,758 in 2010.

Dates to remember

2010
--Homecoming, Nov. 13
--Commencement, Dec. 10
--New Orleans Bowl, Dec. 18

2011
--GMAC Bowl, Jan. 5
--Legislative Session, Mar. 1
--Sun Belt Tournament, Mar. 5-8
--Joint Retreat (Mobile), Mar. 17-18
--Honors Convocation, April 11
--BOT meeting, May 6
--BOT meeting, July 22

B. Board Committee Reports

- **Academic Affairs Committee, Honorable Gerald Dial**

Senator Dial called upon Dr. John Dew to provide an update on the Southern Association of State Colleges and Universities (SACS).

- **SACS Update, Dr. John Dew**

Dr. Dew reported that a SACS Team visited campus in September to review our Doctorate in Nursing Practice (DNP) program. It was a very thorough review chaired by the Associate Provost at the University of Texas-Austin. Dr. Dew said it was a positive review in terms of the overall University and they were very impressed with the quality of our DNP program. They were also impressed with our ability to deliver this program online. The University did receive on recommendation and that was to continue to add additional faculty for this program to make sure we have a good balance between teaching and research capabilities. Plans are already underway to address this recommendation and the University will provide SACS with a follow-up report in February. It was noted that the annual SACS meeting is scheduled for December in Kentucky and it is anticipated the University will receive feedback at that time.

In conclusion, Dr. Dew responded to questions/comments from Board members. Mr. Nailen inquired as to the budget impact of the additional faculty positions for the DNP. Dr. Dew responded that he anticipates that it will involve adding about three faculty positions and should not be an insurmountable budget impact.

Mr. Higgins shared information regarding the Board's Academic Affairs Committee meeting with the SACS Team saying that he felt the committee did a good job in letting the Team know about the Board's commitment to the DNP program.

Senator Dial echoed Mr. Higgins comments and thanked Mr. Higgins and Mrs. Carter for their part in the meeting with SACS Team.

- **School of Science & Technology, Dr. Jack Goldfrank**

Dr. Goldfrank shared information for a Science and Technology School at Troy University and said that the University has a unique opportunity to tie it to economic development. He added that his vision would be to establish a separate science and technology school within the College of Arts & Sciences. The new school should be aligned closely with the College of Business and integrated with regional economic development. He further said that he would recommend expansion of the University's current science and technology offerings and create more focused select disciplines which become the core competencies and expand the University's reputation. He said that all of the above should be strategically aligned with the needs of the region.

Dr. Goldfrank stated that the selection of a leader for the School would critical. He added that he would recommend the following be used as a guide to leader selection.

Qualifications--Terminal science and technology degree; senior level position in industry or government

Characteristics—Visionary leader, strategist, bridge builder between academia, industry and government

Responsibilities—Implement the vision, partner with major industrial companies, create new programs and build core competencies, secure grants and grow research capabilities, and lure world-class scientists and technologist

Dr. Goldfrank added that the building blocks for a Science and Technology School would include Chemistry, Environmental Science, Geomatics, Physics, Physical Science, Computer Science, Biology, and Math.

In closing, Dr. Goldfrank stated that the next steps would be to hire the leader, empower the leader, support the leader, and make it happen!

Following the presentation, Dr. Goldfrank responded to comments and questions from Board members and added that his proposal is to identify and focus on one or two areas where the University would stand out from all others. Discussion followed.

- **PACT Program Strategy, Mr. Marcus Paramore**

Mr. Paramore briefed the Board on the Pre-paid Affordable College Tuition (PACT) program activity and the bill that was passed in the Legislature last year. He added that we have developed a 3-pronged strategy to address the action in Public Act 2010-725. We will have a legal strategy, legislative strategy, and we will build a coalition that will help us carry it out. Mr. Paramore gave a brief overview that has brought us to this point. He added that the first step in this process was to frame the legal question as to whether the Alabama Legislature possess the legislative power to set and regulate tuition at Troy University as the it did in the act in section 4 when the Code of Alabama, Section 16-56-6, vested that power to the Board of Trustees at Troy

University. He further explained the aspects of the legal and legislative strategies. He addressed the strategy of building a coalition with the other nine institutions affected. In conclusion, Mr. Paramore stated that the three strategies discussed today outline the path we would like to take to move this effort forward. Discussion followed and Mr. Paramore responded to questions and comments from the Board members. He added that with the guidance and approval of the Chancellor we are ready to move forward quickly in this effort.

Mr. Higgins reiterated his comments from a previous discussion and said that our position should be that the Board has the authority to set tuition. He said the question is: Does this Board have the authority to set tuition? Mr. Higgins added that his thinking is that we don't need to address PACT issue; we need to address the question above and that would take care of the issue. The Chancellor added that we need to deal with the PACT issue because over the life of the program it will cost the University over $20M. Mr. Paramore stated that the Public Act 2010-725 did not repeal any part of the statutes which addresses the power of the Board of Trustees. The Chancellor stated that this is an important perspective that needs to be factored into discussions with counsel. Mr. Higgins inquired as to the Higher Education Partnership position. Mr. Paramore responded that at this time there has been no communication with the Partnership. Discussion followed.

- **Advancement Presentation, Mrs. Donna Schubert/Dr. Jean Laliberte**

Mrs. Schubert provided an Advancement update. She said being new in her position she could not take credit for the good work she would report on today. Mrs. Schubert expressed appreciation to Mrs. Sandi Gouge for her good work and also thanked Buddy Johnson, Jane Martin, and Tom Davis.

Mrs. Schubert's report covered Broadcast & Digital Network Division, which includes Trojan Vision and Public Radio; Marketing; and Public Relations.

Broadcast & Digital Network

TROY Trojan Vision has been very active in production and the efforts that go on at Trojan Vision support education, athletics, and other special events at the University. One of the things they have accomplished is the ability to provide live streaming coverage of special events such as the Faculty & Staff Convocation, athletic events, and commencements. There has been some wonderful feedback on our Alabama in Politics program with Steve Flowers. They have also expanded sports coverage replays. Infrastructure is a key part of our broadcast and digital network and they have installed fiber optics cable on the Dothan Campus and this will make it possible for us to have a television station on that campus. Mrs. Schubert also reported that the station on the Montgomery Campus is up and operable. Mrs. Schubert continued by saying that TROY Trojan Vision also covered the opening the Manley Johnson Center and Fraternity Row dedication ceremony. A map what shared that reflected the coverage area for TROY Trojan Vision.

In Public Radio Mrs. Schubert reported that we are expanding our coverage area. In Montgomery we have also expanded our infrastructure. Currently, there is a fundraiser underway and we have received funding for a transmitter. Mrs. Schubert added that all three of TROY's radio stations can be heard online now and we have completed a grant application for funding to CPB to replace a transmitter and Verizon Wireless is now leasing with us to use our tower to distribute their signal. Several video conferencing rooms have recently been updated.

Public Relations

Mrs. Schubert reported that the Public Relations Division can report on some great news coverage and that is reflected when Forbes Magazine ranked Troy University as the "Best University" in Alabama 2010-2011. Forbes Magazine places the University 16th nationally as a "best buy" in higher education, and for the sixth year in a row, The Princeton Review has named TROY to its "Best in the Southeast." In addition, U.S. News and World Report's annual "Best Colleges" named Troy University one of the 65 best universities in the South in its "Regional Guide." GetEducated.com, which ranks competing online higher education programs nationwide in similar classes of institutions, gave its "best buy" designation to three TROY eCampus degree programs. GIJobs.com, which works to steer veterans and active-duty military members to quality services, has recognized TROY as being in the top 15 percent of all universities, colleges, community colleges and trade schools in the country in terms of being "military. The Laboratory for the Study of Intercollegiate Athletics ranked TROY 10th among all NCAA Football Bowl Subdivision (formerly Division I-A) athletic departments in its 2010 Excellence in Management Cup.

Marketing

In Marketing Mrs. Schubert reported that the University received 29 awards in 2009-2010. She added that car tags sales have increased and Troy University. In conclusion, Mrs. Schubert gave the Board a preview of new commercials for the University.

Mrs. Schubert turned the presentation over to Dr. Jean Laliberte. Dr. Laliberte advised Board members that the University has received word that Chancellor will be presented the CASE Chief Executive Leadership Award in February.

Dr. Laliberte gave an update on the Capital Campaign. The goal is $100M and we are currently at $50M and if you include grant activity we are at approximately $120M. Dr. Laliberte thanked Mr. Higgins for chairing the committee and advised that Dr. John Long serves as honorary chairperson. She added that Development is pleased to announce that for the first time the University will be taking its "Sound of the Seasons" concert to the Davis Theatre on December 9th. Dr. Laliberte displayed a copy of a print that is being used as a fundraiser for the Davis Theatre and proceeds will be used to help fund the programs of groups participating in the event. Dr. Laliberte shared an ad that will be used on television promoting the Sounds of the Season. In conclusion, Dr. Laliberte reported that preparations are already underway for the University's 125th Anniversary Celebration set for Feb. 11, 2012.

- **Finance Committee, Honorable John Harrison**
  - **Resolution No. 1—Bond Issue**

Mr. Harrison reported that the Board Finance Committee met last week to discuss the bond issue. He provided highlights of the resolution being presented today and then turned the meeting over to Dr. Jim Bookout.

Dr. Bookout introduced Louis Cardinal, Thornton Parish, and team Kurt Gwathney and Will Sellers of Balch & Bingham, who worked with the University on the bond issue.

Dr. Bookout said that the proposed 2010 bond issue will refund 1998, 2001, 2003, 2004 Series debt totaling $21M. The University is currently under the 1969 Parity Bond Resolution which requires Surety Bond and cash debt reserve. The proposed resolution today will also offer the option to refund 2005 and 2007 bonds totaling $18M and provide new money totaling $16M. The primary purpose of the bond issue today would be to fund Alumni Hall renovation and to fund a portion of Trojan Arena.

Advantages of refunding reported by Dr. Bookout would be the elimination of debt reserve fund requirement and provide a lower interest rate. He noted that Series 1998, 2001, 2003 & 2004 bonds can be refunded in today's market at a net present value savings in excess of $1.3M.

Further, Dr. Bookout provided a breakdown of current debt obligations considered for refunding.

The following is a summary of Resolution No. 1. This summary was provided to Board members prior to the meeting. Resolution No. 1 in its entirety follows the summary.

SUMMARY OF SALIENT PROVISIONS:
PROPOSED ISSUANCE OF
TROY UNIVERSITY FACILITIES REVENUE BONDS

At the meeting of October 16, 2010, the Board will be asked to consider and approve a Series 2010 Bond Resolution authorizing the issuance by the University of Facilities Revenue Bonds, Series 2010 in an expected aggregate principal amount of $37,000,000, and not to exceed $60,000,000 (the "Series 2010 Bonds"), the proceeds of which will be applied to (a) renovation of Alumni Hall at the Troy campus, (b) completion of construction and equipping at the Troy campus of a new multipurpose sports complex, (c) refunding of the University's General Student Fee Revenue Bonds, Series 1998, dated September 1, 1998, which are currently outstanding in the aggregate principal amount of $5,195,000, General Student Fee Revenue Bonds, Series 2001, dated August 1, 2001, which are currently outstanding in the aggregate principal amount of $6,710,000, General Student Fee Revenue Bonds, Series 2003, dated December 1, 2003, which are currently outstanding in the aggregate principal amount of $6,040,000, General Student Fee Revenue Bonds, Series 2004, dated January 1, 2004, which are currently outstanding in the aggregate principal amount of $3,170,000, as well as the refunding of the University's General Student Fee Revenue Bonds, Series 2005, dated May 1, 2005, which are currently outstanding in the aggregate principal amount of $5,995,000, and General Student Fee Revenue Bonds, Series 2007, dated July 1, 2007, which are currently outstanding in the aggregate principal amount of

$13,000,000, if determined to be advantageous to the University, (d) fund the reserve requirement under the prior bond resolution adopted by the Board on August 15, 1969 with regard to the bonds that will remain outstanding thereunder and (e) the payment of the costs of issuance in respect of the Series 2010 Bonds.

The Series 2010 Bonds will be authorized to be issued, subject to the discretion of the Chancellor and Treasurer of the University, in one or more series, on a federally tax-exempt, other tax-favored basis and/or taxable basis, subject, among other things, to the approving legal opinion of bond counsel to the University. The Series 2010 Bond Resolution will entrust to the determination of the Chancellor and Treasurer the terms and provisions of the Series 2010 Bonds and of the sale thereof, including the precise aggregate principal amount, the purposes, the principal amortizations, the interest rates and interest-rate bases (tax-exempt, other tax-favored and/or taxable basis) and the redemption provisions thereof, as well as the sale price and the initial purchaser or purchasers thereof. The Series 2010 Bond Resolution will authorize the Chancellor and Treasurer to apply for and, if cost effective, to obtain a municipal bond insurance policy and/or other form of credit enhancement covering all or any part of the Series 2010 Bonds, such that the Series 2010 Bonds will trade as securities with a credit rating superior to that of the University on a stand-alone basis.

Following Dr. Bookout's presentation Mr. Harrison presented Resolution No. 1, on behalf of the Board Finance Committee, for adoption.

Resolution No. 1

ACTION: Mr. Harrison made a motion to adopt Resolution No. 1. A second to the motion was made by Mr. Owen. There was no further discussion and Resolution No. 1 was adopted as presented.

Resolution No. 1

FACILITIES REVENUE BONDS

SERIES 2010 BOND RESOLUTION

Adopted October 16, 2010

FACILITIES REVENUE BONDS

SERIES 2010 BOND RESOLUTION

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RESOLUTION PROVIDING FOR THE ISSUANCE BY TROY UNIVERSITY AUTHORIZING THE ISSUANCE OF UP TO $60,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF FACILITIES REVENUE BONDS, SERIES 2010

WHEREAS, the University has determined that it is necessary, advisable, in the interest of the University and in the public interest that the University issue its facilities revenue bonds under the General Bond Resolution to refund certain Prior Bonds and to provide funds for the purchase, construction, enlargement or alteration certain Facilities as described herein.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF TROY UNIVERSITY, as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. In addition to the words and terms defined in the General Bond Resolution, which are incorporated herein by reference, unless the context or use clearly indicates another or different meaning or intent:

"Additional Bonds" means any Bonds issued in accordance with Section 2.3 of the General Bond Resolution.

"Affiliate" means, as to any Person, any other Person that directly, or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, that Person.

"Auxiliary Enterprise Revenues" means all amounts received or collected by or on behalf of the University from the use and operation of Auxiliary Enterprises, including all revenues, rents, fees, charges or

other income of any kind from any source, including without limitation any proceeds of business interruption insurance and temporary condemnation awards in respect of Auxiliary Enterprises.

"Auxiliary Enterprises" means all facilities operated by or on behalf of the University offering or providing goods and/or services ancillary to and apart from the provision of education or the administration of the University, including without limitation facilities offering or providing housing, dining, books and supplies, athletic events, cultural or entertainment events, and similar functions or purposes.

"Board" means the Board of Trustees of the University and any successor to its duties.

"Bond Counsel" any attorney or firm of attorneys nationally recognized on the subject of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

"Bond Fund" means the Bond Fund which was created and established by Section 4.3 of the General Bond Resolution.

"Bonds" means the Series 2009 Bonds, the Series 2010 Bonds and any Additional Bonds hereafter issued pursuant to the provisions of the General Bond Resolution.

"Business Day" means any day other than a day on which banking institutions are required or authorized to remain closed in either of the following locations: (i) the city in which the Trustee's Office is located, or (ii) the City of New York, New York.

"Chancellor" means the Chancellor of the University.

"Code" means the Internal Revenue Code of 1986, as amended. References to the Code and Sections thereof include relevant applicable temporary, proposed or final regulations thereunder and under any predecessor provisions of the Internal Revenue Code of 1954, as amended.

"Credit Enhancement" means a municipal bond insurance policy, a letter of credit, a surety bond or other credit enhancement facility covering the payment of debt service on any Bonds.

"Determination Document" means a certificate of the University, executed by the Chancellor and Treasurer and delivered on or prior to the Issue Date of any Bonds, which (a) determines or prescribes any terms, provisions and other matters relative to those Bonds that are authorized and entrusted by the applicable Series Resolution to be determined or prescribed therein, and (b) as such, constitutes an integral part of such Series Resolution.

"Extraordinary Services" and "Extraordinary Expenses" mean all services rendered and all expenses incurred under the General Bond Resolution other than Ordinary Services and Ordinary Expenses.

"Facilities" means, as provided by State law, the purchase, construction, enlargement or alteration of any buildings or other improvements, including dormitories, dining halls, classrooms, laboratories, libraries, stadiums, administration buildings and any other buildings and appurtenances thereto suitable for use by the University, the acquisition of furniture and equipment for any thereof, the purchase of land, the beautification of grounds and the construction of swimming pools, tennis courts, athletic fields and other facilities for physical education, all for use by the University; and such other capital purposes as may hereafter be authorized or permitted under State law.

"Fiduciaries" means the Trustee, the Registrar and any Paying Agent, and their respective successors and assigns.

"Fiscal Year" means the period of twelve (12) months from October 1st of one year through and including September 30th of the following year, or such other fiscal year as may hereafter be adopted by the Board.

"Funds" means the Bond Fund and any other Fund that may hereafter be established with the Trustee in connection with any series of Bonds, as contemplated in Section 2.4(c)(13) of the General Bond Resolution.

"General Bond Resolution" means Resolution No. 3 adopted by the Board on July 24, 2009, as the same may hereafter be amended or supplemented in accordance with the provisions hereof.

"General Student Fees" means the tuition payable by students attending the University and available for any general purpose authorized or approved by the Board, but excludes Special Student Fees.

"Government Obligations" means (a) direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged, or (b) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the full and timely payment of the principal of, premium, if any, and interest on which is fully and unconditionally guaranteed as a full faith and credit obligation by the United States of America.

"Holder" or "Bondholder" means the Person in whose name a Bond is registered on the books kept and maintained by the Registrar for the registration and transfer of Bonds.

"Issue Date" means, as to the Series 2010 Bonds, the date or dates of the initial authentication and delivery thereof.

"Maximum Annual Debt Service" means the maximum amount payable annually in any Fiscal Year as principal of and interest on all outstanding Bonds or Prior Bonds, as the case may be.

"Moody's" means Moody's Investors Service, Inc., New York, New York.

"Net Proceeds", when used with reference to the Series 2010 Bonds, means the face amount of the Series 2010 Bonds, plus accrued interest and premium, if any, less original issue discount and less proceeds deposited in a reserve fund, if any.

"Ordinary Services" and "Ordinary Expenses" mean those services normally rendered and those expenses normally incurred by a trustee or other fiduciary under instruments similar to this General Bond Resolution.

"Outstanding", as applied to Bonds, means all Bonds which have been authenticated and delivered under the General Bond Resolution, except:

(a) Bonds cancelled upon surrender, exchange or transfer, or because of payment or redemption prior to maturity;

(b) Bonds, or any portion thereof, for the payment, redemption or purchase for cancellation of which sufficient moneys have been deposited and credited with the Trustee or any Paying Agents (whether upon or prior to the maturity, purchase or redemption date of those Bonds); provided, that if any of those Bonds are to be redeemed prior to their maturity, notice of that redemption shall have been given or arrangements satisfactory to the Trustee shall have been made for giving notice of that redemption, or waiver by the affected Holders of that notice satisfactory in form to the Trustee shall have been filed with the Trustee; and

(c) Bonds in exchange for or in lieu of which others have been authenticated and delivered under Section 2.8 hereof;

provided, however, that in determining whether the Holders of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds owned by the University, any other obligor with respect to the Bonds or any Affiliate of either of the foregoing shall be disregarded and deemed not to be Outstanding; except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent

or waiver, only Bonds which the Trustee knows to be so owned shall be disregarded. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the University, any other obligor with respect to the Bonds or any Affiliate of either of the foregoing. The term "Outstanding", when used in this General Bond Resolution with reference to Prior Bonds authenticated and delivered under the Prior Bond Resolution, shall have the same definition and be subject to the same exceptions.

"Paying Agent" means the Trustee and any other bank or trust company designated as a Paying Agent by or in accordance with Section 6.9 of the General Bond Resolution.

"Person" includes natural persons, firms, associations, partnerships, trusts, corporations, limited liability companies and public bodies.

"Prior Bond Resolution" means the resolution adopted by the Board on August 15, 1969 entitled "A RESOLUTION PROVIDING FOR THE CONSTRUCTION OF IMPROVEMENTS TO THE STADIUM AT THE CAMPUS OF TROY STATE UNIVERSITY, AT TROY, ALABAMA, FOR THE FINANCING THEREOF BY THE ISSUANCE OF REVENUE BONDS IN THE PRINCIPAL AMOUNT OF $70,000, PAYABLE FROM STUDENT FEES FOR THE SECURING OF THE PAYMENT OF THE PRINCIPAL OF AND THE INTEREST ON SUCH BONDS; RESERVING THE RIGHT TO ISSUE ADDITIONAL BONDS PAYABLE FROM SUCH FEES ON A PARITY OF LIEN WITH SUCH BONDS, AND MAKING PROVISIONS INCIDENT THERETO," as modified, amended and supplemented by resolutions supplemental thereto numbered Nos. 1, 9 and 15 adopted by the Board on August 14, 1970, May 30, 1997, and September 10, 2005, respectively.

"Prior Bonds" means the obligations heretofore issued by the University under and in accordance with the Prior Bond Resolution.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural Person or in any activity carried on by a Person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

"Purchaser" means the original purchaser or purchasers of any series of Bonds.

"Rating Agency" means Moody's or S&P, their respective successors and assigns, and any other nationally recognized securities rating agency.

"Record Date" means, as to any series of Bonds, the 15th day (whether or not a Business Day) next preceding an interest payment date with respect to those Bonds.

"Refunded Bonds" means the Series 1998 Bonds, Series 2001 Bonds, Series 2003 Bonds and Series 2004 Bonds; provided, that the Chancellor and the Treasurer may provide in the Series 2010 Determination Document to amend this definition to so as not to refund certain of such prior Bonds or to only refund a portion thereof or to refund additional Prior Bonds as provided herein.

"Refunded Bonds Trustee" means Regions Bank as trustee under the Prior Bond Resolution pursuant to which the Refunded Bonds were issued.

"Register" means the books kept and maintained by the Registrar for registration and transfer of Bonds.

"Registrar" means the Trustee.

"Resolution" means a resolution duly adopted by the Board.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"SEC" means the Securities and Exchange Commission.

"Series Resolution" means, as to the Series 2010 Bonds, this Resolution.

"Series 1998 Bonds" means the University's General Student Fee Revenue Bonds, Series 1998, dated September 1, 1998, and originally issued in the aggregate principal amount of $9,350,000.

"Series 2001 Bonds" means the University's General Student Fee Revenue Bonds, Series 2001, dated August 1, 2001, and originally issued in the aggregate principal amount of $13,750,000.

"Series 2003 Bonds" means the University's General Student Fee Revenue Bonds, Series 2003, dated December 1, 2003, and originally issued in the aggregate principal amount of $7,880,000.

"Series 2004 Bonds" means the University's General Student Fee Revenue Bonds, Series 2004, dated January 1, 2004, and originally issued in the aggregate principal amount of $5,475,000.

"Series 2009 Bonds" means the University's $14,590,000 Facilities Revenue Bonds, Series 2009A and $48,180,000 Taxable Facilities Revenue Bonds, Series 2009B (Build America Bonds), collectively.

"Series 2010 Bonds" means any of the Bonds authorized to be issued hereunder.

"Series 2010 Construction Account" means the account or accounts provided to be established in Section 3.4 hereof.

"Series 2010 Determination Document" means the Determination Document relative to the Series 2010 Bonds.

"Series 2006 Bonds" means the $22,410,000 Dormitory Revenue Bonds (Troy University Housing, LLC Project) Series 2006 dated September 1, 2006 and issued by The Troy Public Educational Building Authority to finance dormitory facilities which are leased to the University.

"Special Record Date" means, with respect to any Bond, the date established by the Trustee in connection with the payment of overdue interest on that Bond pursuant to Section 2.7 hereof.

"Special Student Fees" means all special fees or charges on students or prospective students now or hereafter levied by the University, in the nature of, and including, without limitation, all lab fees, change of course fees, transcript fees, student activity fees, general University fees, application fees, deferred payment fees, registration fees, continuing education fees, pre-college counseling fees, administrative fees, technology fees, withdrawal fees, and all other similar fees or charges (a) apart from and in addition to General Student Fees, and (b) exclusive of Auxiliary Enterprise Revenues.

"Supplemental Resolution" means any resolution of the Board adopted and becoming effective in accordance with the terms of the General Bond Resolution.

"State" means the State of Alabama.

"Tax Compliance Certificate" means a closing certificate of the University, executed by the Chancellor or Treasurer and delivered in connection with Bonds issued or issuable on a Tax-Exempt or Tax-Favored basis, which makes or contains such representations, covenants, elections or designations on the part of the University as Bond Counsel or the Purchaser thereof shall request to evidence the Tax-Exempt or Tax-Favored status, as the case may be, of those Bonds and the commitment of the University to maintain the same.

"Taxable" means, when used in reference to Bonds, that interest thereon is includable in the gross income of any owner thereof for federal income tax purposes and that such Bonds are not Tax-Favored.

"Tax-Exempt" means, when used in reference to Bonds, that interest thereon is excluded from gross income for federal income tax purposes under Section 103(a) of the Code.

"Tax-Favored" means, when used in reference to Bonds, that owners thereof are entitled to a credit for federal income tax purposes, or that the University is entitled to a cash subsidy from the federal government, in respect of a portion of the interest thereon, in each case under Section 54AA of the Code.

"Treasurer" means the Treasurer of the University.

"Trustee" means the trustee at the time serving as such under the General Bond Resolution, presently, Regions Bank, Birmingham, Alabama.

"Trustee's Office" means the office from time to time designated by the Trustee, or its successor in trust, as its principal corporate trust office for purposes of discharging its trusts and duties under the General Bond Resolution, which office as of the date hereof is located at 1901 Sixth Avenue North, 28th Floor, Birmingham, Alabama.

"University" means Troy University, a public corporation and instrumentality of the State, its successors and assigns.

Section 1.2 Interpretation. Unless the context indicates otherwise, words importing the singular number include the plural number, and vice versa; the terms "hereof", "hereby", "herein", "hereto", "hereunder" and similar terms refer to this Resolution; and the term "hereafter" means after, and the term "heretofore" means before, the date of adoption of this Resolution. Words of any gender include the correlative words of the other genders, unless the sense indicates otherwise.

Section 1.3 Captions and Headings. The captions and headings in this Resolution are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Articles, Sections, subsections, paragraphs, subparagraphs or clauses hereof.

[END OF ARTICLE I]

ARTICLE II

FINDINGS, DETERMINATIONS AND REPRESENTATIONS

Section 2.1 Findings. The Board, upon evidence duly submitted to and considered by it, has ascertained and found and does hereby declare, represent and state that:

(a) The Series 2010 Bonds shall be issued to (i) refund the Series 1998 Bonds, Series 2001 Bonds, Series 2003 Bonds and Series 2004 Bonds; provided, that the Chancellor and the Treasurer may determine in consultation with the professional advisors retained by the University with regard to the issuance of the Series 2010 Bonds, and may provide in the Series 2010 Determination Document, not to refund certain of such Prior Bonds, to refund only a portion of any series thereof and/or to refund additional Prior Bonds, (ii) pay or reimburse all or any part of the cost of certain Facilities, currently expected to consist of and include (A) renovation of Alumni Hall and (B) completion of construction of the new multipurpose sports complex; provided, however, that the Chancellor and Treasurer are hereby authorized and entrusted to add to, delete from or otherwise modify the foregoing list of Facilities to be provided from the proceeds of the Series 2010 Bonds, (iii) fund the reserve requirement under the Prior Bond Resolution with regard to the outstanding Prior Bonds and (iv) pay or reimburse the costs and expenses of issuing the Series 2010 Bonds, including the cost of Credit Enhancement, if any, that may be obtained with respect to the Series 2010 Bonds.

(b) The only Bonds currently outstanding under the General Bond Resolution are the University's Facilities Revenue Bonds, Series 2009A, dated September 29, 2009, which are currently outstanding in the aggregate principal amount of $14,590,000 and its Taxable Facilities Revenue Bonds, Series 2009B (Build America Bonds), dated September 29, 2009, which are currently outstanding in the aggregate principal amount of $48,180,000. The only Prior Bonds currently outstanding under the Prior Bond Resolution are the University's General Student Fee Revenue Bonds, Series 1998, dated September 1, 1998, which are currently outstanding in the aggregate principal amount of $5,195,000, General Student Fee Revenue Bonds, Series 2001, dated August 1, 2001, which are currently outstanding in the aggregate principal amount of $6,710,000, General

Student Fee Revenue Bonds, Series 2003, dated December 1, 2003, which are currently outstanding in the aggregate principal amount of $6,040,000, General Student Fee Revenue Bonds, Series 2004, dated January 1, 2004, which are currently outstanding in the aggregate principal amount of $3,170,000, General Student Fee Revenue Bonds, Series 2005, dated May 1, 2005, which are currently outstanding in the aggregate principal amount of $5,995,000, and General Student Fee Revenue Bonds, Series 2007, dated July 1, 2007, which are currently outstanding in the aggregate principal amount of $13,000,000. The University expects to refund all of the outstanding Series 1998 Bonds, Series 2001 Bonds, Series 2003 Bonds and Series 2004 in connection with the issuance of the Series 2010 Bonds, subject to prevailing market conditions when the Series 2010 Bonds are offered for sale.

(c) The University is not presently in default in the payment of the principal of or interest on any Bonds or Prior Bonds now outstanding.

[END OF ARTICLE II]

ARTICLE III

SERIES 2010 BONDS

Section 3.1 Authorization and Issuance of Series 2010 Bonds. This Resolution constitutes a Series Resolution under the General Bond Resolution in order to provide for the issuance of the Series 2010 Bonds.

Pursuant to the authorization to do so contained in the General Bond Resolution and in Section 16-3-28, Code of Alabama (1975), as amended, the Series 2010 Bonds are hereby authorized to be issued, as one or more series of Bonds under the General Bond Resolution, in an aggregate principal amount currently estimated at $37,000,000, but not to exceed $60,000,000.

The Series 2010 Bonds shall be issued, if at all, subject to the discretion of the Chancellor and Treasurer, in consultation with the University's financial professionals, based on prevailing market conditions at the time or times of the proposed sale thereof. The issuance of any part or sub-series of the Series 2010 Bonds shall in itself conclusively evidence the determination by the Chancellor and the Treasurer that market conditions at that time warranted the issuance of that part or sub-series of the Series 2010 Bonds. The Series 2010 Bonds may be sold by public or private sale at the discretion of the Chancellor and Treasurer, in consultation with the University's financial professionals.

At the time of issuance of the Series 2010 Bonds, the University shall file with the Secretary of the Board and the Trustee the same items that are required, pursuant to Section 2.3 of the General Bond Resolution, to be so filed prior to the issuance of any series of Additional Bonds.

Section 3.2 Certain Terms and Provisions of Series 2010 Bonds.

(a) The Board hereby determines and prescribes the following terms, provisions and other matters relative to the Series 2010 Bonds:

(1) The Series 2010 Bonds shall be issued, subject to the discretion of the Chancellor and Treasurer of the University, in consultation with Bond Counsel and the other professionals advising the University in connection with the issuance of the Bonds, in one or more sub-series, on a Tax-Exempt and/or Tax-Favored and (if and to the extent required under the Code) Taxable basis. Reference is made to Section 3.3 hereof for certain representations and covenants of the University in respect of any Series 2010 Bonds issued on a Tax-Exempt or Tax-Favored basis.

(2) The Series 2010 Bonds shall be generally designated "Troy University, Facilities Revenue Bonds, Series 2010", with such other or special designations as to any part or sub-series thereof, if any, as the Chancellor and Treasurer are hereby authorized and entrusted to set forth in the 2010 Determination Document; and shall be fully registered as to both principal and interest, with each separate sub-series thereof numbered consecutively from R-1 upwards.

(3) The University will not fund or provide for a reserve fund for the Series 2010 Bonds.

(4) Because a substantial portion of the proceeds of the Series 2010 Bonds will be applied to pay costs of the Facilities described in Section 2.1(a) (hereinafter referred to, collectively, as the "2010 Project"), the University will establish the Series 2010 Construction Account, more fully described in Section 3.4 hereof.

(5) The proceeds of the Series 2010 Bonds shall be used as provided in Section 2.1(a) hereof, subject to the discretion permitted therein and in the General Bond Resolution.

(b) Subject to the conditions set forth below in this subsection (b), the Board hereby authorizes and entrusts the Chancellor and Treasurer to determine or prescribe, in the Series 2010 Determination Document, which shall constitute an integral part of this Series Resolution, such of the other terms, provisions and other matters relative to the Series 2010 Bonds enumerated in Section

2.4(c) of the General Bond Resolution as they deem necessary or desirable. The net interest cost of any Series 2010 Bonds issued as a series of Tax-Exempt Bonds shall not exceed 4.5%, the net interest cost (without regard to any subsidy expected to be received by the University from the federal government) of any Series 2010 Bonds issued as a series of Tax-Favored Bonds shall not exceed 6.5% and the net interest cost of any Series 2010 Bonds issued as a series of Taxable Bonds shall not exceed 6.5%.

Section 3.3 Tax-Related Representations and Covenants. Any reference in this Section 3.3 to the "Series 2010 Bonds" shall be deemed to refer, on a sub-series by sub-series basis, only to that sub-series or those sub-series of Series 2010 Bonds issued on a Tax-Exempt or Tax-Favored basis. The University makes the following representations, warranties and covenants as the basis for its issuance of the Series 2010 Bonds, which representations, warranties and covenants are intended to be relied upon:

(a) The University warrants that the interest on any Tax-Exempt Series 2010 Bonds is and will continue to be excludable from the gross income of the owners thereof for federal income tax purposes. The University will continuously comply with all requirements imposed by the Code as conditions to the exclusion from gross income for federal income tax purposes of the interest on any Tax-Exempt Series 2010 Bonds. The University warrants that any Tax-Favored Series 2010 Bonds do and will throughout the life of the issue continue to meet all requirements imposed by the Code to be and remain Tax-Favored.

(b) The University will not apply or permit the proceeds of the Series 2010 Bonds to be applied in a manner that would cause any of them to be deemed "private activity bonds" within the meaning of Section 141 of the Code. The University shall assure that (i) not in excess of ten percent (10%) of the Net Proceeds of the Series 2010 Bonds is used for Private Business Use if, in addition, the payment of more than ten percent (10%) of the principal or ten percent (10%) of the interest due on the Series 2010 Bonds during the term thereof is, under the terms of the Series 2010 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the University, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of five percent (5%) of the Net Proceeds of the Series 2010 Bonds are used for a Private Business Use, and (B) an amount in excess of five percent (5%) of the principal or five percent (5%) of the interest due on the Series 2010 Bonds during the term thereof is, under the terms of the Series 2010 Bonds or any underlying arrangement, directly or indirectly, secured by any

interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the University, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said five percent (5%) of Net Proceeds of the Series 2010 Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of a portion of the projects financed with the Net Proceeds and shall not exceed the proceeds used for the governmental use of the portion of such projects to which such Private Business Use is related.

(c) The University shall assure that not in excess of the lesser of five percent (5%) of the Net Proceeds of the Series 2010 Bonds or five million dollars are used, directly or indirectly, to make or finance a loan (other than loans constituting nonpurpose investments (within the meaning of section 148(f)(6)(A) of the Tax Code)) to persons other than state or local government units.

(d) Except to the extent permitted under Section 149(b)(3) of the Code, (i) payment of principal of or interest on the Series 2010 Bonds is not directly, indirectly or otherwise guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof), and (ii) none of the proceeds of the Series 2010 Bonds will be used to make loans the payment of principal or interest with respect to which is to be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof).

(e) The University covenants that it will restrict the use and investment of the proceeds of the Series 2010 Bonds in such manner and to such extent, if any, and take or refrain from taking such other actions, all as may be necessary, after taking into account reasonable expectations at the time of the delivery of and payment for the Series 2010 Bonds, so that the Series 2010 Bonds will not constitute "arbitrage bonds" within the meaning of Section 148 of the Code or "hedge bonds" within the meaning of Section 149(g) of the Code.

(f) The Chancellor or Treasurer is hereby authorized to execute and deliver, for inclusion in the transcript of proceedings for the Series 2010 Bonds, a Tax Compliance Certificate relating to and made as of the Issue Date of the Series 2010 Bonds. Such Tax Compliance Certificate shall, among other things, reaffirm as of its date the continuing accuracy, completeness and correctness of the tax-related representations herein contained, set forth the reasonable

expectations of the University regarding the amount and use of all the proceeds of the Series 2010 Bonds and the facts and estimates on which those expectations are based, and contain such other and further representations, covenants, designations and elections on the part of the University as Bond Counsel or the Purchaser shall request to evidence the Tax-Exempt or Tax-Favored status, as the case may be, of the Series 2010 Bonds and the commitment of the University to maintain the same. The University hereby agrees to perform any such covenants contained in the Tax Compliance Certificate.

(g) The University will make such informational reports as may be required under the Code, and in particular Section 149(e) thereof, with respect to the issuance of the Series 2010 Bonds.

(h) The University covenants that it will (1) apply the proceeds of the Series 2010 Bonds to the governmental purposes of the borrowing, (2) make timely rebate payments to the United States, if any are required, and (3) maintain books and records and make calculations and reports necessary to make and to evidence sufficient rebate payments.

(i) In the event that the aggregate principal amount of Series 2010 Bonds to be issued during a calendar year together with any other tax-exempt obligations to be issued by the University during such calendar year is equal to or less than the amounts set forth in Section 256(b)(3)(C) and (D) of the Code (as such provisions may be amended), the Chancellor is hereby authorized, upon consultation with Bond Counsel, to designate such Series 2010 Bonds as "qualified tax-exempt obligations" within the meaning and for purposes of Section 265(b)(3)(B) of the Code. Such designation, if made, shall be made in the Determination Document or the Tax Compliance Certificate for that sub-series of Series 2010 Bonds and shall be accompanied by such representations and warranties as are customarily made in connection with such a designation.

Section 3.4 Series 2010 Construction Account.

(a) The University shall open and maintain one or more separate accounts to be known collectively as the "Series 2010 Construction Account" (with such additional designations as may be appropriate to distinguish the accounts, if more than one, from one another), in each case in a bank

which is a member of the Federal Deposit Insurance Corporation or any agency which may hereafter succeed to its functions and duties.

(b) The moneys in the Series 2010 Construction Account shall be applied only to pay or reimburse (1) costs of the 2010 Project, including the repayment of any interim or temporary loans or advances made to or by the University for such purpose, and (2) the costs and expenses of issuing the Series 2010 Bonds. Withdrawals may be made by the University from the Series 2010 Construction Account by check or order accompanied by a certificate or certificates signed by an authorized officer of the University, stating the name of the payee and the amount and purpose of the payment. The Trustee shall serve as principal depository of the Series 2010 Construction Account and shall administer withdrawals therefrom in accordance with the aforementioned procedures, but the Trustee shall not be responsible for the application of any moneys so withdrawn from said Account by the University.

(c) Any moneys on deposit in a Series 2010 Construction Account not required for current disbursements shall be invested in Permitted Investments, as hereinafter defined, as directed by the University. Any such investments shall be payable in such amounts and at such times as may be necessary to meet required payments from that Series 2010 Construction Account. The earnings from any such investments shall be deposited in that Series 2010 Construction Account. No investment shall be made which would cause any Tax-Exempt or Tax-Favored sub-series of the Series 2010 Bonds to be "arbitrage bonds" or "hedge bonds" as those terms are used in Section 148 and Section 149(g), respectively, of the Code. The depository for any Series 2010 Construction Account in which shall be held the proceeds of any Tax-Exempt or Tax-Favored sub-series of the Series 2010 Bonds, by acceptance of its duties hereunder, agrees to keep such records and supply such information to the University as will enable the University to make any necessary rebate payments in a timely manner; provided, however, that the furnishing by the Trustee of records or information in addition to standard account records of deposits, withdrawals and investment income shall, at the option of the Trustee, be treated as an Extraordinary Service under the General Bond Resolution.

(d) As used herein, "Permitted Investments" shall mean and include any of the following (unless proscribed by the provider of any Credit Enhancement for all or any part or sub-series of the Series 2010 Bonds):

(1) Cash (insured at all times by the Federal Deposit Insurance Corporation);

(2) Obligations of, or obligations guaranteed as to principal and interest by, the United States of America ("U.S.A.") or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S.A.;

(3) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the U.S.A.: (i) senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC), (ii) obligations of the Resolution Funding Corporation (REFCORP) and (iii) senior debt obligations of the Federal Home Loan Bank System;

(4) Certificates of deposit or other bank deposits (i) issued by, or made with, a bank whose unsecured, long-term obligations are rated by at least one Rating Agency in one of the three highest rating categories assigned by that Rating Agency, or (ii) secured at all times by collateral described in paragraphs (1) and (2) above, which collateral is held by the Trustee or by a third-party custodian acceptable to the University and the Trustee or in which the Trustee or such other custodian has a perfected first priority security interest;

(5) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;

(6) Money market funds rated by at least one Rating Agency in one of the three highest rating categories assigned by that Rating Agency;

(7) Pre-refunded "Municipal Obligations" (herein defined as any bonds or other obligations of any state of the U.S.A. or of any agency, instrumentality or local government unit of any such state) which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (i) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successor

thereto; or (ii) (A) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in clause (2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such Municipal Obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on such Municipal Obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate; and

(8) Municipal Obligations rated "Aaa/AAA" by both Moody's and S&P or general obligations of states of the U.S.A. rated "A2/A" or higher by both Moody's and S&P.

Section 3.5 Other Documents Relating to Series 2010 Bonds.

(a) *Official Statement.* The Board authorizes and directs, if necessary and appropriate for the method by which the Series 2010 Bonds will be sold, (1) the preparation by appropriate officials of the University, in consultation with Bond Counsel, the Purchaser and other professional advisers to the University, of a Preliminary Official Statement of the University (the "Preliminary Official Statement"), and subsequent to the sale of the Series 2010 Bonds a final Official Statement of the University (the "Official Statement"), relating to the issuance and sale of the Series 2010 Bonds; (2) the distribution and use of the Preliminary Official Statement and the Official Statement by the Purchaser in the offering and sale of the Series 2010 Bonds; and (3) the Chancellor or Treasurer to "deem final", for purposes and within the meaning of SEC Rule 15c2-12, the Preliminary Official Statement as of its date and to make such other and further representations with respect to the Preliminary Official Statement and Official Statement as may be customary and desirable.

(b) *Bond Purchase Agreement.* The Board authorizes the execution and delivery on behalf of the University by the Chancellor or the Treasurer, of a Bond Purchase Agreement or similar document relating to the Series 2010 Bonds to be entered into between the University and the

Purchaser (including, if the Series 2010 Bonds are issued in more than one sub-series and at different times, a separate such agreement for each later-issued sub-series).

(c) *Continuing Disclosure Agreement.* The Board authorizes the Chancellor or Treasurer to execute and deliver, on or prior to the Issue Date of the Series 2010 Bonds, a Continuing Disclosure Agreement with respect to the Series 2010 Bonds, as required pursuant to SEC Rule 15c2-12.

(d) *Escrow Trust Agreement.* In connection with the refunding and defeasance of the Series 1998 Bonds, Series 2001 Bonds, Series 2003 Bonds and Series 2004 Bonds (or such portion of said Prior Bonds and/or any other Prior Bonds as the Chancellor and Treasurer may determine should be refunded), the Board hereby authorizes and directs the Chancellor of the University to execute in the name and behalf of the University an Escrow Trust Agreement, between the University and the Refunded Bonds Trustee, and does hereby authorize and direct the Treasurer to attest the same and does further authorize and direct the official seal of the University to be affixed thereon.

(e) *Miscellaneous.* The Board authorizes Bond Counsel to prepare or review such other and further documents, certifications, assignments and instruments as Bond Counsel, the Trustee, the Purchaser or any provider of Credit Enhancement for the Series 2010 Bonds may require or as may be necessary or appropriate to consummate the transactions contemplated in this Resolution, including without limitation any certificates or reports referred to in Article III hereof. The Chancellor, Treasurer or any other appropriate officer, employee or agent of the University is hereby authorized and directed to execute and deliver any and all such additional documents or certificates, including without limitation any elections made to establish Tax-Favored status or for any other tax-related reason. In addition, the Treasurer or other appropriate officer, employee or agent of the University is expressly authorized and directed to execute and deliver, subsequent to the Issue Date but within such period as is prescribed by the Code, such certifications as may be prepared and required by Bond Counsel to evidence allocations of the proceeds of Series 2010 Bonds issued on a Tax-Exempt or Tax-Favored basis.

[END OF ARTICLE III]

ARTICLE IV

PLEDGES AND FUNDS

Section 4.1 Source of Payment of Series 2010 Bonds. The Series 2010 Bonds shall be payable solely from the Bond Fund created in the General Bond Resolution for the exclusive benefit of the Holders from time to time of the Bonds, and shall be secured by (a) an exclusive first lien upon and pledge of the Special Student Fees, (b) a lien upon and pledge of the General Student Fees, subordinated, however, to the lien upon and pledge of the General Student Fees created and made under the Prior Bond Resolution for the benefit of the Prior Bonds, but only so long as any Prior Bonds remain outstanding, and (c) a lien upon and pledge of such other fees or revenues of the University as may hereafter be pledged to secure the payment of some or all Bonds, subject to such limitations as may be set forth in the Supplemental Resolution providing for such lien and pledge.

Neither the Bonds nor any pledge or agreement made in this Resolution or the General Bond Resolution shall be or constitute an obligation or debt of any nature whatsoever of the State, and neither the Bonds nor any obligation arising from any such pledge or agreement shall be payable out of any moneys appropriated by the State to the University. Neither the State nor the University shall be obligated, directly or indirectly, to contribute any funds, property or resources to the payment of the Bonds, except the fees and moneys pledged and the moneys in the Bond Fund, as provided in the General Bond Resolution.

Section 4.2 Pledge Securing Bonds. For the purpose of securing the payment of the principal of and interest on all Bonds, the University hereby pledges and assigns

(a) the Special Student Fees, and

(b) the General Student Fees, subordinated, however, to the pledge and assignment of the General Student Fees made under the Prior Bond Resolution for the benefit of the Prior Bonds, but only so long as any Prior Bonds remain outstanding,

and hereby covenants and agrees to collect or cause to be collected said fees, as the same become due and payable, to hold said fees so collected separate and apart from all other fees, revenues and income of the University, and to apply said fees only as provided in the General Bond Resolution (but only to the extent necessary to pay debt service on the Bonds and, in the case of the General Student Fees, the Prior Bonds).

The University warrants, represents and covenants that it is duly authorized by law to pledge the Special Student Fees and the General Student Fees (on the subordinated basis described above) and the Bond Fund purported to be pledged by this Resolution and the General Bond Resolution in the manner and to the extent provided herein; that the Special Student Fees, the Bond Fund and the General Student Fees (other than the first lien pledge in favor of the Prior Bonds) are and shall be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to or of equal rank with the pledge created by this Resolution or the General Bond Resolution; that all corporate action on the part of the University to that end has been duly and validly taken; that the Bonds and the provisions of this Resolution and the General Bond Resolution are and shall be legally enforceable obligations of the University in accordance with their terms and the terms hereof; and that it shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Special Student Fees, the General Student Fees and the Bond Fund pledged under this Resolution and the General Bond Resolution, and all of the rights of the Bondholders hereunder, against all claims and demands of all persons whomsoever.

[END OF ARTICLE IV]

ARTICLE V

COVENANTS OF THE UNIVERSITY

Section 5.1 Affirmation of Covenants in General Bond Resolution. The covenants of the University contained in the General Bond Resolution with regard to the Bonds, including, without limitation, those in Article V thereof, are hereby ratified and affirmed.

[END OF ARTICLE V]

ARTICLE VI

FIDUCIARIES

Section 6.1 Trustee's Acceptance and Responsibilities. The Trustee has accepted and agreed to perform the duties imposed on it by the General Bond Resolution and shall be deemed to affirm such acceptance by the authentication and delivery of the Series 2010 Bonds, subject to the terms and conditions set forth in the General Bond Resolution. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Resolution or the due adoption thereof by the Board, nor for or in respect of the recitals contained herein, all of which recitals are made solely by the University.

[END OF ARTICLE VI]

ARTICLE VII

MISCELLANEOUS

Section 7.1 No Recourse. No recourse shall be had for the payment of the principal of or interest on the Bonds, or for any claim based thereon or on this Resolution or in the General Bond Resolution, against any member of the Board or any officer of the University, past, present or future, or any Person executing the Bonds, all such liability, if any, being expressly waived and released by every Holder by the acceptance of the Bond or Bonds held by it.

Section 7.2 Construction as a Contract. The provisions of this Resolution shall constitute and be construed as a contract, made under and for all purposes governed by and construed in accordance with the laws of the State, between the University and the Holder or Holders from time to time of the Bonds; provided, however, that no agreement, covenant or obligation of the University herein or in the Bonds contained shall be construed as imposing any pecuniary liability on the University or the State except as may be payable solely from the General Student Fees and Special Student Fees and any additional fees or revenues hereafter pledged and the Bond Fund established and provided for. No provision of this Resolution shall be construed to limit or restrict, either expressly or impliedly, the obligations of the University contained in the General Bond Resolution or the powers of the Trustee thereunder, nor shall the provisions of this Resolution be construed in any manner inconsistent with the provisions of the General Bond Resolution.

Section 7.3 Limitation of Rights. With the exception of rights herein or in the General Bond Resolution expressly conferred on the Fiduciaries, nothing expressed or mentioned in or to be implied from this Resolution or the General Bond Resolution or the Bonds is intended or shall be construed to give any Person other than the University and the Holders of the Bonds any legal or equitable right, remedy or claim under or with respect to this resolution or the General Bond Resolution or any covenants, conditions and provisions herein contained; this Resolution and the General Bond Resolution and all of the covenants, conditions and provisions hereof and thereof being intended to be and being for the sole and exclusive benefit of the University and the Holders of the Bonds as herein and therein provided.

Section 7.4 Severability. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or

in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or Sections in this Resolution contained, shall not affect the remaining portions of this Resolution, or any part thereof.

Section 7.5 Redemption of Prior Bonds. The Board does hereby call for redemption those Prior Bonds so selected pursuant to Section 3.2(a)(5) hereof and does hereby authorize and direct the Chancellor and Treasurer to take all actions necessary to effect such call for redemption on such dates as they shall determine, at and for the applicable redemption prices as of the their respective redemption dates, including, without limitation, irrevocably directing the Refunded Bonds Trustee to mail and/or publish any notice of such redemptions as may be required under the Prior Bond Resolution or the resolutions authorizing the issuance of such Prior Bonds. In connection with such call for redemption, the Board hereby states that the University is not in default in the payment of the principal of or interest on any Bonds or Prior Bonds now outstanding.

Section 7.6 Declaration of Official Intent. The University hereby declares its official intent to reimburse expenditures to be made prior to the issuance of the Series 2010 Bonds in connection with the Facilities described in Section 2.1(a) hereof (to the extent permitted by Section 1.150-2 of the Income Tax Regulations). The maximum principal amount of Bonds to be issued for such Facilities is $16,500,000.

[END OF ARTICLE VII]

ENDORSEMENT

Passed by the Board of Trustees of Troy University this 16th day of October, 2010.

_____

President pro tempore of the Board

of Trustees

(S E A L)

Attest:_____

Secretary of the Board

- **Athletics Committee, Honorable Allen Owen**
  - **Athletics Presentation, Mr. Steve Dennis**

Mr. Dennis presented the athletic report and advised that the Troy Sports Hall of Fame had its initial meeting. He added that we are proud that Commissioner Waters could join us today and athletic directors across the Sun Belt Conference are pleased with the growth of the Conference.

The program was turned over to Commissioner Waters.

The Commissioner expressed his appreciation to the University for the opportunity to present to the Board. He presented the Board members with a book chronicling the Conference's 10-year anniversary. The Conference is built on solid principles and the ten universities in the Conference are all comparable institutions and from that standpoint the playing field is level. Commissioner Waters provided some highlights from the Conference and said that last year for the third year in a row over 1800 student athletes who had a 3.0 GPA or better were recognized in the Conference. In perspective the Conference certifies annually about 4500 student athletes so this gives you an idea of the caliber of students represented, Commissioner Waters said. Also, last year the Conference had 11 Academic All-American athletes. He added that in the past four years Sun Belt football teams were 4 and 3 in bowl play and ranks us sixth among 11. This past year the Conference had seven players drafted into the NFL. Commissioner Waters shared many other Sun Belt points of pride for all sports. He concluded his presentation by outlining measures being taken by the Conference to address sportsmanship.

- **Executive Committee, Dr Doug Hawkins**
  - **Resolution No. 2— General Academic Building**

Dr. D. Hawkins said that it was his honor to present the following resolution for approval. He called upon Mr. Nailen to read Resolution No. 2.

Following the reading of the resolution, Dr. Patterson expressed his appreciation to the Board and thanked them for this honor.

ACTION: Mr. Owen made a motion to adopt Resolution No. 2. A second to the motion was made by Mr. Nailen. There was no further discussion and Resolution No. 2, which follows, was adopted.

RESOLUTION NO. 2

Resolution to name the General Academic Building at Troy University in honor of Douglas C. Patterson

WHEREAS, Douglas C. Patterson, Ph.D., joined Troy University as an administrator in 1989 continuing a distinguished career in Alabama higher education; and

WHEREAS, Dr. Patterson served Troy University with distinction for18 years, retiring as Senior Vice Chancellor for Administration in 2007; and

WHEREAS, Dr. Patterson's contributions to Troy University have been many and varied, to include:

- Playing an integral role in the unification of Troy University, an initiative known as "One Great University;"
- Providing the leadership to enable TROY to establish a record of financial stewardship unequalled in Alabama higher education;
- Developing and guiding the University's strategic planning process;
- Serving at various junctures as interim Provost, interim Vice President for Financial Affairs, and Interim President of Troy State University-Dothan; and
- Playing an integral role in the University's transition to NCAA Division I athletics and

WHEREAS, Dr. Patterson's administrative involvement in every area of University life has made TROY a model institution of higher education; and

THEREFORE BE IT RESOLVED, that the building on the Troy Campus completed in 2005 and currently known as the General Academic Building be named Douglas C. Patterson Hall in honor of this outstanding Trojan.

V. Adjournment

There being no further business to come before the Board, the meeting adjourned.

Jack Hawkins, Jr., Ph.D.
Chancellor, Troy University
and Secretary of the Board

R. Douglas Hawkins, D.V.M.
President Pro Tempore
Board of Trustees